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The Fertilizer Situation for 1954-1955

Supplemental Report

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Washington, D. C.  
April, 1955



## The Fertilizer Situation for 1954-1955

### Supplemental Report

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This report supplements fertilizer supply estimates for 1954-55 issued in September 1954.

As was the case a year earlier, movement of fertilizer was slow in the autumn of 1954. The tonnage of fertilizers moved into trade channels in late 1954 was no larger than in the corresponding period of 1953, when the movement was 12 percent lower than in 1952. Except in the East South Central Region, where fall movement exceeded that of 1953 by about 25 percent, movement was about the same or lower.

Movement has continued slow in 1955. From January 1 to March 15, 1955 less fertilizer moved in nearly every State than in the same period of the preceding year, declining to an average of about 85 percent. Trade was particularly poor in some of the Central States, where the comparative movement for the entire region was only about 70 percent. This decline is thought to be due to a combination of factors, including adverse weather conditions, declining farm income, and a tendency for consumers to revert to their pre-war habit of waiting to order until the fertilizer is needed.

Prior to 1942, more than half of the total consumption in any given year moved to the farm between March 15 and May 15. From 1942 to 1952, inclusive, however, shortages of certain fertilizers caused many mixers, dealers, and farmers to take delivery in advance of need. This tended to spread the movement over a much longer period and reduced the load at the planting season. In the second half of 1954, there was a return to the pre-World War II pattern, although supplies of all types of fertilizers in general equalled the demand.

Since December 1, 1954 buyers have been waiting until they needed fertilizer before ordering. This reluctance to buy in advance seems to trace to a belief that fertilizer price changes are more likely to be down than up.

Funds for the Agricultural Conservation Program are larger for the 1955 calendar year than they were for 1954, and about the same size as those for

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A Fertilizer Staff Report -- Prepared by A. L. Mehring and C. A. Graham, Commodity Stabilization Service, Food and Materials Requirements Division, U. S. Department of Agriculture, Washington, D. C.

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1953. The 1955 program has been changed to provide for the use of nitrogen as well as for phosphoric oxide and potash.

### Nutrients

The trend in usage is still toward more concentrated materials, and mixtures containing higher percentages of nitrogen and potassium and less calcium and sulfur. Thus as much nitrogen and potash may be moved this season as in the previous one in spite of a smaller tonnage of fertilizers.

Distribution facilities may be strained in April and May to handle the volume of fertilizer demand, but there will be no lack of adequate production facilities this year.

### Nitrogen

On July 1, 1954 capacity to produce synthetic ammonia was equivalent to 2,370,000 tons of nitrogen. Since then ten new plants or additions to existing ones have been completed, and five others are scheduled for completion before July 1 next, when total rated capacity is expected to be approximately 2,976,000 tons of contained nitrogen. This is about 200,000 tons more capacity than was so scheduled last fall. Contracts have been let or work started on the erection of nine additional plants with a rated capacity to fix atmospheric nitrogen of 412,000 tons annually. Plans have been announced also to erect yet more plants, but some of these facilities may not be built.

About 250,000 tons of fertilizer nitrogen becomes available annually in the form of by-product ammonium sulfate, "B" liquor and natural organics.

The supply of fertilizer nitrogen for the year ending June 30, 1955 is currently estimated to be 2,126,000 short tons, or 5.2 percent more than the supply for 1953-54 (Table 1). Production of ammonium sulfate has been increased substantially, because five companies that did not produce this material prior to May 1, 1954 now do so. However, imports are lower and exports higher than previously forecast. Estimates for production of some of the other synthetic ammonia materials have been changed slightly from the September, 1954 figures, but they are all still substantially above the quantities produced in the 1953-54 season.

Present estimates for exports in 1954-55 have been increased, partly because commercial exports have been increasing and partly because of the decision of the Foreign Operations Administration to finance the export of 28,000 tons of nitrogen to India, Turkey, and Pakistan, largely in the form of sulfate.

Imports of nitrogen in 1954-55 have in general been lower than previously estimated, especially so in the case of ammonium sulfate.

On February 28, 1955 stocks of ammonium sulfate and of fertilizer-grade ammonium nitrate in the hands of primary producers were 28,379 and 44,318 tons greater respectively than a year earlier.

### Phosphorus

Exports of all classes of phosphates have increased more during the current year than was expected last fall. The revised estimates are given in Table 2. It appears now that the domestic supply of  $P_2O_5$  will be about three percent less in 1954-55 than in the preceding season.

Since July 1, 1954 available  $P_2O_5$  productive capacity, on the basis of one-shift days, has increased about 90,000 tons. The increase is largely in the form of concentrated superphosphate, but includes some diammonium phosphate and phosphoric acid capacity.

### Potassium

Revised estimates of potash supplies, based on actual deliveries for the first nine months of the fiscal year, are somewhat lower than the previous ones. Exports are larger than expected. It is currently estimated that about the same quantity of fertilizer  $K_2O$  will be available for use in 1954-55 as in 1953-54. This is six percent less than was expected last September. Details are given in Table 3.

Capacity to produce potassium sulfate is being currently increased.

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A report based on trade deliveries of nitrogen, phosphates and potash during 1954-55, and a forecast of supplies for 1955-56, is scheduled to be issued after the close of the current season.



Table 1. -- NITROGEN: Revised estimates<sup>1/</sup> of 1954-55 supply for fertilizer purposes, United States and possessions.

(In short tons of nitrogen)

Item	: Ammonium : : Ammonium Sulfate & : : Nitrate Ammonium : Other : Natural :				: Compound : : Solutions : : for : direct : : ammonia-: applica-: ammonia-: applica-:				Totals
	: Grades : Nitrate : 2/ :				: tion : tion : tion : tion :				
<u>U. S. Production</u>									
Synthetic ammonia	389,000	225,000	120,000	--	410,000	75,000	110,000	390,000	1,719,000
By-product ammonia	--	177,000 <sup>4/</sup>	--	--	--	--	3,000	--	180,000
Natural organics	--	--	--	30,000	--	--	--	--	30,000
Total	389,000	402,000	120,000	30,000	410,000	75,000	113,000	390,000	1,929,000
<u>Exports 5/</u>									
Supply from domestic sources	10,000	70,000	25,000	1,000	15,000	--	1,000	--	122,000
<u>Imports 5/</u>									
	105,000	50,000	160,000	4,000	--	--	--	--	319,000
Total Supply	484,000	382,000	255,000	33,000	395,000	75,000	112,000	390,000	2,126,000
Percent change of September, 1954 estimate									- 3.4
Percent change from 1953-54 supply									/ 5.2

<sup>1/</sup> Based on actual production during eight months, exports and imports for the first six months, and on rates of production and similar information for the rest of the period.

<sup>2/</sup> Includes estimated ammonium phosphates, sodium nitrate, urea, calcium nitrate, cyanamid and nitrates.

<sup>3/</sup> Includes aqua ammonia.

<sup>4/</sup> Includes ammonium phosphate produced from by-product ammonia.

<sup>5/</sup> Includes the estimated nitrogen content of imported and exported mixed fertilizers and ammoniated superphosphate.



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Table 2. -- PHOSPHORUS: Revised estimates of 1954-55 supply for fertilizer purposes, United States and possessions.

(In short tons of available phosphoric oxide,  $P_2O_5$ )

Item	: : Normal : superphosphate : 1/	: : Concentrated : superphosphate :	: : : Other 2/ :	: : : :	Totals
<u>U. S. Production</u>	1,600,000	530,000	250,000		2,380,000
<u>Exports</u> 3/	80,000	60,000	26,000		166,000
Supply from domestic sources	1,520,000	470,000	224,000		2,214,000
<u>Imports</u> 3/	1,000	1,000	70,000		72,000
Total supply	1,521,000	471,000	294,000		2,286,000

Percent change of September, 1954 estimate

- 2.7

Percent change from 1953-54 supply

- 3.3

1/ Includes wet-mixed base goods.

2/ Includes ammonium phosphates, basic slag, fused rock phosphate, liquid phosphoric acid, dicalcium phosphate, high-grade residue, natural organics, and other sources of available  $P_2O_5$ .

3/ Includes the  $P_2O_5$  content of mixed fertilizers and ammoniated superphosphate.

Table 3. -- POTASSIUM: Revised estimates<sup>1/</sup> of 1954-55 supply for fertilizer purposes, United States and possessions.

(In short tons of potassium oxide, K<sub>2</sub>O)

Item	: Potassium chloride:	: Potassium sulfate: and sulfate of potash-magnesia :	: Manure salts :	: All other materials 2/:	: Totals
<u>Domestic deliveries</u>	1,640,000	107,000	1,000	35,000	1,783,000
<u>Exports</u> 3/	51,000	6,000	--	4,000	61,000
Supply from domestic sources	1,589,000	101,000	1,000	31,000	1,722,000
<u>Imports</u> 3/	86,000	28,000	--	5,000	119,000
Total Supply	1,675,000	129,000	1,000	36,000	1,841,000
Percent change of September, 1954 estimate					- 6.5
Percent change from 1953-54 supply					/ 0.6

1/ Estimated on the basis of actual exports, imports and deliveries up to April 1, 1955 and present prospects for the rest of the season rather than the quantities above ground at the mines, or obtainable by import.

2/ Includes potassium nitrate, potassium carbonate, potash-lime, nitrate of soda-potash, and natural organics.

3/ Includes the potash content of mixed fertilizers.